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IN THE

Supreme Court of the United States

No. 588.

October Term, A. D. 1934.

THE STELOS COMPANY, INC.,

Petitioner.

vs.

HOSIERY MOTOR-MEND CORPORATION,
KAYSER HOSIERY MOTOR-MEND CORPORATION,
JULIUS KAYSER & COMPANY, a Corporation,

Respondents.

ON PETITION FOR WRIT OF CERTIORARI TO THE CIRCUIT COURT OF APPEALS FOR THE SECOND CIRCUIT.

BRIEF FOR RESPONDENTS IN OPPOSITION.

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OPINIONS BELOW

The District Court's opinion appearing in R. III at page 1266, is reported in 60 Fed. (2d) 1009.

The opinion of the Circuit Court of Appeals for the Second Circuit, appearing at page 1341 of the Record, is reported in 72 Fed. (2d) 405.

JURISDICTION.

The jurisdiction of this Court is invoked under Section 240(a), Judicial Code, as amended by the Act of February 13, 1925, 43 Stat. 938 (Title 28, U. S. C. A., Sec. 347).

STATEMENT.

This suit is an ordinary patent suit in equity for infringement.

The patent in issue is Re. 16360. It relates "to an improvement in needles and *its** method of use." (R. III, p. 962, 11.1-2.)

The needle of the patent is for use "in repairing the runs or ravels in knitted goods." (R. III, p. 962, 11.3-4.)

The first twenty-two claims of the patent are for the needle. The twenty-third or last claim, the only claim in issue in the courts below, is for (R. III, p. 965)

> "An improved method of repairing runs or ravelings in a fabric which consists in
>
> stretching the fabric over a suitable holder,
>
> inserting a repairing device having a hook and *pivoted** latch through a loop formed in the run or raveling,
>
> continuing this movement on through the fabric while holding the device *laterally* out of alignment with the run or raveling *until the loop has slid back over the end of the latch and beneath the latter*,
>
> then reversing the movement of the device through the loop,
>
> catching the next forward thread in the hook *while the loop is being pulled over the latch* causing the latch to close over the thread, and the loop to be cast off over the end of the device, the thread caught in the hook thereupon forming a new loop, taking the place of the first-described loop,

* All italics are respondents.

then reinserting the device into the fabric as before, and repeating the operation until the run or raveling has been repaired, and finally fastening the thread."

The original method, Claim 10, in the original application, read thus:

"A method of needlework which consists in

stretching the fabric over a suitable holder, and

inserting a needle having a magnetized, curved hook, a magnetized, curved latch or bridge and a beveled side guard, through the loop of a run or raveling,

grasping the adjacent thread with the latch forcing it into the hook, pulling the thread through the loop,

grasping the next thread, forcing it into the hook and pulling it through the loop formed, etc., until the run or raveling is repaired."

Original Claim 10 was rejected April 25, 1924. The examiner stated:

"Claim 10, which is drawn to the combination of a method and specific construction of a needle, is rejected. The invention, if any, resides in the specific element. The alleged method is fully disclosed in Pogson."

On August 27, 1924, Claim 10 was cancelled and present Claim 23 inserted.

Original Claim 10, its rejection and substitution of present Claim 23, is shown by Plaintiff's Exhibit No. 14.

Claim 23 was granted on the representations made in the patent application that

"In other methods, *the fabric is stretched over the fingertip,* making it difficult to insert the hook beneath the thread. This objection is obviated in the present invention by stretching the fabric over a *porcelain dish,* allowing sufficient depth for the use of the needle." (R. III, p. 962, 11.7-14.)

"With my invention and *its method of use*, the latch *reaches for* and *grasps* the thread to be looped, *forces it into the hook* and the latch is then tightly closed by the loop already on the needle." (R. III, p. 962, 11.44-48.)

"It (the latch) also serves the *hitherto unknown purpose* of *reaching for and grasping and forcing into the hook* the thread necessary to be picked up in order to continue the loop process." (R. III, p. 963, 11.41-46.)

"* * * The latch, in the meantime, *reaching for* and *grasping* the thread *b* and forcing it into the magnetized hook as shown in Fig. 5." (R. III, p. 963, 11.101-104.)

"* * * The latch *reaches for* and *grasps* the thread *d*, *forces* it into the hook * * *." (R. III, 964, 11.20-21.)

Pivoted latch needles were old as early as 1865. (R. III, p. 1028, 11.10-11.)

The use of pivoted latch needles for repairing runs in fabrics was disclosed as early as November 16, 1921. (R. III, pp. 1127-1129.)

"Suitable holders" over which the fabric should be stretched for repair were old. (R. III, p. 1071, 1.46; R. III, p. 1074; R. III, pp. 1053-1054; R. III, pp. 1061-1062.)

Holders allowing sufficient depth for the free use of the needle were likewise old. (R. III, p. 1074, 11.25-34-40.)

Continuing the movement of the needle or repairing device on *through* the fabric when repairing runs, was likewise old. (R. III, p. 1071, 11.41-42, 11.50-53.)

Holding the needle, during its use, out of the plane of the fabric, was old. (R. III, p. 1069, Fig. 7; R. III, p. 1073, Fig. 5.)

The method of the patent in suit differs from the method of Semonsen (R. III, p. 1071, 11.27 *et seq.*) only as the needle of the patent in suit differs from the needle of Semonsen, with the possible exception that Semonsen left the operator free to use the needle or repairing device in, or out of, the

vertical plane of the run; while the patentee of the patent in suit sought to distinguish his claim from the prior art by, and to obtain a monopoly of the right to hold the device "laterally out of alignment with the run." This phrase is not defined in the specification. Yet "laterally" is used twice in the specification (R. III, p. 963, 11.4, 9). In each instance it is so used with its normal meaning of "at the side" or "sideways."

The needle used by the respondents, Hosiery Motor-Mend Corporation, and later by Kayser Hosiery Motor-Mend Corporation, the method of whose use was alleged to infringe Claim 23 of the patent in suit, was not a pivoted latch needle, but was a *sliding* latch needle illustrated at R. III, p. 994, Fig. 7. Its hook-closing member functions as a bolt, not as a latch. (R. II, p. 603, Q. 156.) It does not reach for, grasp, or force the thread into the hook. (R. II, p. 603, Q. 151-152; R. II, p. 679, Q. 449.) It closes the hook after the thread is in the hook. By reason of the horizontal position of the notch in the bolt or latch, the sliding latch needle, to function properly, must be held substantially in the vertical plane of the run. (R. II, p. 624, Q. 231-233.) The pivoted latch needle of the patent in suit must, on the contrary, if the clause of the claim—"while holding the device laterally out of alignment with the run"—is not mere words, to function properly, be held in accordance with that clause. (R. II, p. 584, Q. 84-86.) In the sliding latch needle, the loop does not slide back over the end of the latch or beneath the latter. (R. III, p. 603, Q. 151.)

The District Court adjudged the claim in suit invalid and not infringed. (R. III, p. 1280.)

The Circuit Court of Appeals, though stating, 72 Fed. (2d) 406 at eighth line from bottom of second column,

> "To use Pogson's stitch and needle [R. III, lines 1127-1129] with Semonsen's holder [R. III, p. 1074] might conceivably require invention, *but it would be a very tenuous one, at best.*"

and, 72 Fed. (2d) 407, just below half-way down in the first column,

> "It is quite true the specifications said nothing about holding the needle off to the side of the 'run.' Conceivably, *the claim may be bad for that reason,*"

adjudged the claim valid but not infringed.

The respondent, Julius Kayser & Company, never used any needle. The alleged infringement by it was based upon its ownership of some of the shares of stock of Kayser Hosiery Motor-Mend Corporation. (R. I, pp. 216-221, 253, 254.)

QUESTIONS INVOLVED.

The primary question now before the Court is:

Whether the writ of certiorari will be granted, as of course, where a circuit Court of Appeals has rendered a decision in conflict with the decision—not of another Circuit Court of Appeals—but of the Court of Appeals of the District of Columbia, on the issue of infringement of a single one of the twenty-three claims of a patent, particularly when it is not made to appear that the issue so decided is one of wide public or general importance.

Inasmuch as Sémonsen (R. III, p. 1069, Fig. 7 and 1071, lines 39-42, 50-52), showed the operation of a needle "*through* the fabric," while the fabric is stretched over a suitable holder and as the Circuit Court of Appeals, in holding (72 Fed. 2d 406, column 2, next to last sentence from end of first paragraph)

> "Any new feature or step in the method in Claim 23 c. . Claim 10 therefore became essential to an infringement, an element with which the doctrine of equivalents would not allow the patentee to dispense."

did not erroneously apply the decision in *Smith vs. Magic City Club*, 282 U. S. 784, 790, we deem the foregoing question the sole question now before this Court.

If, however, the conflict between the decision of the Circuit Court of Appeals and that of the Court of Appeals of the District of Columbia is sufficient to call for the granting of the writ of certiorari, the respondents at the hearing upon the merits will present upon the authority of *Story Parchment Co. vs. Paterson Co.*, 282 U. S. 555, 560; *Langnes vs. Green*, 282 U. S. 531, 538; *United States vs. American Ry. Exp. Co.*, 265 U. S. 425; *Corning et al. vs. The Troy Iron & Nail Factory*, 15 How. 451, 464—not only the issue of non-infringement, but as well the issue of validity of the claim in suit.

ARGUMENT.

The decision of the Circuit Court of Appeals (72 Fed. 2d 405) is in conflict on the issue of infringement of Claim 23 of Reissue Patent 16,360 (R. III, p. 962), with the decision of the Court of Appeals of the District of Columbia. (46 Fed. 2d, 606.) The repairing device or needle used by the defendant in each case was substantially the same, viz.: the *sliding* latch needle illustrated in Fig. 7 of Van Dyke Patent No. 1,745,462 (R. III, p. 994).

SUMMARY OF ARGUMENT.

I. A Decision of a Circuit Court of Appeals in Conflict With the Decision of the Court of Appeals of the District of Columbia is Not Within the Purview of Rule 38, Paragraph 5(b), Indicating the Character of Reasons Which Will Be Considered by This Honorable Court in Exercising Its Discretion Upon Petition for a Review of the Decree on Writ of Certiorari.

II. No Special or Important Reasons for Review of the Decision of the Circuit Court of Appeals Have Been Set Up in the Petition.

I.

A DECISION OF A CIRCUIT COURT OF APPEALS IN CONFLICT WITH THE DECISION OF THE COURT OF APPEALS OF THE DISTRICT OF COLUMBIA IS NOT WITHIN THE PURVIEW OF RULE 38, PARAGRAPH 5(b), INDICATING THE CHARACTER OF REASONS WHICH WILL BE CONSIDERED BY THIS HONORABLE COURT IN EXERCISING ITS DISCRETION UPON PETITION FOR A REVIEW OF THE DECREE ON WRIT OF CERTIORARI.

Paragraph 5 of Rule 38 of this Honorable Court states:

> "A review of writ of certiorari is not a matter of right, but of sound judicial discretion, and will be granted only where there are special and important reasons therefor. The following, while neither controlling nor fully measuring the Court's discretion, indicate the character of reasons which will be considered:
>
> (a) * * *
>
> (b) Where a Circuit Court of Appeals has rendered a decision in conflict with the decision of *another Circuit Court of Appeals* on the same matter;"

No decision of this Court has been found in which a petition for a review on writ of certiorari, based on a conflict between a decision of the Circuit Court of Appeals and the Court of Appeals of the District of Columbia, has been granted.

As the Court of Appeals of the District of Columbia was in no sense overlooked by this Court, in framing Rule 38, as appears from Paragraph 5(c) thereof, respondents cannot assume that the failure of Paragraph 5(b) to include a conflict between a decision of a Circuit Court of Appeals and a decision of the Court of Appeals of the District of Columbia was due to oversight or inadvertence.

Hughes Federal Practice, Vol. 8, §6301, pages 538-539, after referring to the testimony of Mr. Justice Van Devanter, before a Committee of Congress, says:

> "However, the petitioner should scan closely the wording of the rule. The rule requires that the conflict be between two Circuit Courts of Appeals, not between circuits, nor between the District Court of one circuit and the Circuit Court of Appeals of another, nor between highest courts of the states, Court of Claims, or any other court and the Circuit Courts of Appeals."

Writs of certiorari are granted to review decisions of the Court of Claims. But that is governed by Rule 41 of this Court, paragraph 6 of which says:

> "The same general considerations will control in respect of petitions for writs of certiorari to review judgments of the Court of Claims as are applied to applications for such writs to other courts. See Paragraph 5 of Rule 38."

Rule 42 applies in like manner to judgments of the Court of Customs and Patent Appeals and of the Supreme Court of the Philippine Islands.

No rule is found providing for the review on writ of certiorari on conflict between the decisions of the Circuit Court of Appeals and the Court of Appeals of the District of Columbia.

Somewhat confirmatory of the view that the Court of Appeals of the District of Columbia was not inadvertently omitted from Paragraph 5(b) of Rule 38, is the statement of this Court in *Keller vs. Adams-Campbell Co.*, 264 U. S. 314, 319, which says:

> "These passages read in connection with the original and reissued patents and the alleged infringement show that what the courts really held was that the defendants were manufacturing a different invention from that of the plaintiffs and so could not and did not infringe. Such an ordinary patent case with the usual

issues of invention, breadth of claims and non-infringement, this Court will not bring here by certiorari unless it be necessary to reconcile decisions of *Circuit Courts of Appeal* on the same patent."

That there are numerous differences of greater or lesser significance between a Circuit Court of Appeals and the Court of Appeals of the District of Columbia, is made obvious by comparison of the statutes under which those respective courts exist and exercise their powers. (U. S. C. A. Title 28, Sections 211 and 231; and Code of the District of Columbia, Title 18, Chap. 2, Sections 21 and 36.)

That there are likewise, certain similarities, has been made clear by this Court in *Fed. Trade Comm. vs. Klesner*, 274 U. S. 145, *Swift & Co. vs. United States*, 276 U. S. 311, and *O'Donoghue vs. United States*, 289 U. S. 516.

The foregoing matters are referred to upon the assumption that the "Court of Appeals of the District of Columbia" was purposefully omitted from Paragraph 5(b) of Rule 38 of this Court, and not from any lack of appreciation on the part of respondents that Paragraph 5(b) of Rule 38 is not a limitation upon the powers of this Court.

II.

NO SPECIAL OR IMPORTANT REASONS FOR REVIEW OF THE DECISION OF THE CIRCUIT COURT OF APPEALS HAVE BEEN SET UP IN THE PETITION.

Unless the bare conflict of decisions is in itself all-sufficient for that purpose, no special or important reasons have been shown by petitioner for a review of the decision of the Court below. The case is not of the character of *Fruit Growers, Inc. vs. Brogdex Co.*, 283 U. S. 1; *Carbice Corp. vs. Am. Patents Corp.*, 283 U. S. 27; *DeForest Radio Co. vs. General Electric Co.*, 283 U. S. 664; and other cases widely affecting the public interest. It falls, on the contrary,

within the purview of the statement of this Court in *Fields vs. United States*, 205 U. S. 292, 296, that

> "In this case there is no sufficient ground for a certiorari. The application comes within none of the conditions therefor declared in the decisions of this Court. However important the case may be to the applicant, the question involved is not one of gravity and general importance. There is no conflict between the decisions of State and Federal courts or between those of Federal courts *of different circuits*. There is nothing affecting the relations of this nation to foreign nations, and indeed no matter of general interest to the public."

Particularly applicable to this case is the statement of this Court in *Keller vs. Adams-Campbell Co.*, 264 U. S. 314, 319, that

> "Such an ordinary patent case with the usual issues of invention, breadth of claims and non-infringement, this Court will not bring here by certiorari unless it be necessary to reconcile decisions of *Circuit Courts of Appeal* on the same patent."

CONCLUSION.

The decision below upon the issue of infringement is correct. It is in accord with the applicable decisions of this Court and is not in conflict with the decisions of any other Circuit Court of Appeals. The questions presented involve the application of well-settled rules of law to facts peculiar to this case, are not of general importance, and are not worthy of review in this Court.

Respectfully submitted,

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